

Nestlé to sharpen its Nutrition, Health and Wellness strategic focus, will explore strategic options for Nestlé Skin Health



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As part of its regular strategy review earlier this year, the Board of Directors assessed Nestlé's Nutrition, Health and Wellness strategy. The Board fully confirmed the company's strategic direction and resolved to sharpen its focus on food, beverage and nutritional health products. By enhancing the Group's focus, the Board expects to deepen resource commitment to its key growth initiatives and facilitate the implementation of its accelerated long-term value creation strategy.

After further analysis and consideration, the Board has come to the conclusion that the future growth opportunities of Nestlé Skin Health lie increasingly outside the Group's strategic scope. The Board has therefore decided to explore strategic options for Nestlé Skin Health. This review is expected to be completed by mid-2019.

Nestlé Skin Health provides science-based solutions to meet the specific skin health needs of healthcare professionals, patients and consumers. It offers a range of leading medical and consumer brands through three complementary business units, including Epiduo and Soolantra in Prescription, Restylane and Azzalure in Aesthetics, Cetaphil and Proactiv in Consumer Care. Headquartered in Lausanne, Switzerland, Nestlé Skin Health employs more than 5,000 people across 40 countries. It benefits from state-of-the-art R&D capabilities and manufacturing facilities spread across the globe. Nestlé Skin Health had sales of around CHF 2.7 billion in 2017.

Paul Bulcke, Chairman of the Board, said:

Our Board has fully reconfirmed the value potential of Nestlé's Nutrition, Health and Wellness strategy. Sharpening our

strategic focus on Nestlé's core food, beverage and nutritional health products offers the best opportunity for long-term profitable growth and is fully in line with the pursuit of our company's purpose. As a consequence, our Board is convinced that exploring strategic options for Nestlé Skin Health is in the best long-term interest of this business and Nestlé shareholders.

Mark Schneider, CEO, added:

Nestlé Skin Health has made significant progress under its new leadership team over the past 2 years. The company has developed convincing growth strategies for each of its business units and regained a competitive cost structure. Now is the right time to explore the best ownership structure for Nestlé Skin Health and to consider ways of taking it to the next level.

As part of the review, the Board re-affirmed and emphasized the strategic importance of Nestlé Health Science. This science-driven nutritional health business, which focuses on medical nutrition and consumer health products, forms an integral part of the company's Nutrition, Health and Wellness strategy. Earlier this year, Nestlé bolstered its nutritional health care portfolio through the acquisition of Atrium Innovations, complementing its own line of nutritional products such as the well-known brands BOOST, Nutren, Meritene and Peptamen. Nestlé will continue to allocate significant resources to this growth area, which is fully in line with the Group's strategic focus.

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